

# Arms Trade--World Scramble for Profits, Power Private Dealers--Their Wares Can Affect

## the Affairs of Nations

THE international trade in arms attracts people who like making money but dislike talking about how they made it.

Behind nearly any Latin American revolution or counterrevolution, brushfire war in Africa, or Palestinian or IRA guerrilla warfare, there are private arms traders willing to assure a steady flow of military hardware and ammunition, for a good price.

They may operate from the plush bar of a fashionable hotel in Beirut, an austere flat in Prague or a bug-proof set of offices in Arlington, Va.

They are a relatively small group. Specialists at the International Institute of Strategic Studies (IISS) in London, and at the Stockholm International Peace Research Institute (SIPRI) estimate that during the past year the total world turnover of the private arms merchants probably has been worth no more than \$200 million.

This is only a tiny fraction of the multi-billion-dollar trade in weapons through grants and credit by the big powers, especially the United States, the Soviet Union, Britain and France, in that order.

Arms traders these days are not the socially prestigious and politically powerful men that some were in the time of Sir Basil Zaharoff, the fabulously wealthy "merchant of death," who between the two world wars

became friend and confidante of kings, financiers and presidents.

But private arms traders still can, and sometimes do, exert more influence on the affairs of nations than their size would indicate.

Mrs. Lily Saad, for example, a

shrewd, wealthy, tough-minded Lebanese matron in her 30s, accepted in Beirut society, is an astute businesswoman who specializes in arms brokering.

Last summer, as Israel stepped up its air and land warfare against parts of Lebanon used by the Palestinian guerrillas, Lebanon rediscovered the fact that it had no air defense system. However, nearly \$10 million of the Lebanese taxpayers' money had been paid to the French firm of Thomson-Houston CSF to purchase Crotale (Rattlesnake) anti-aircraft missiles, extremely effective against low-flying planes, a Palmier (Palm Tree) radar set to help guide these, and a squadron of French Mirage III fighters.

Lebanon is still rattled by the controversy about the missiles, which were never delivered, and the radar set, which did not work properly after it was. Were there, as Prime Minister Saeb Salam's political opponents charged, Israeli warnings not to install such sophisticated equipment? Did Thomson-Houston fail to honor contract obligations, as the Lebanese army asserted? Or (as seemed closest to the truth) had the Lebanese army simply decided there was no point in trying to cope with the advanced system and canceled the order?

Whatever the truth, Beirut newspapers published documents showing that Mrs. Saad was apparently one of the key intermediaries in the original transaction, if not in its aftermath.

"Exceptionally, and at her own demand," said a letter from Thomson-Houston reprinted by Beirut's Al-Nahar newspaper, "the commission for the sale of these rockets will be raised from 4% to 7%."

Much better known, largely because his operations are worldwide and because he has had much publicity, is a 45-year-old native of Philadelphia named Samuel Cummings. Cummings heads the International Armaments Corp., called Interarms.

Its head offices and storage facilities are in Arlington, Va., where Cummings employs about 40 persons full time. In Britain, Interarms UK operates with a staff of about 100 and

with warehouses in Manchester and Acton, outside London.

Cummings is the world's biggest private dealer in arms. He admits to an annual income for Interarms just short of \$100 million. He is often consulted as a professional expert on the arms trade, and has testified before U.S. congressional committees considering arms aid and gun-control legislation. An aura of mystery has surrounded Interarms since the late columnist Drew Pearson charged, in 1961, that the firm was owned and financed by the U. S. Central Intelligence Agency (CIA)—a charge that Cummings has repeatedly denied and which has never been proven.

## Business Based on Human Folly

Interarms operations, as explained by Cummings in a long telephone conversation early last summer from his well-furnished home in Monaco, are not all that mysterious, at least on the surface. His commercial philosophy, too, is simple: "We (arms traders) are in my view a reflection for better or for worse of the times in which we live."

"The arms business is essentially based on human folly . . . It increases in direct proportion to human folly as the world's population increases. This is a sad commentary, and I don't make it in any hypocritical sense but strictly in a brutally realistic and, from our side, commercial sense."

Samuel Cummings began his career in the arms trade after World War II by buying captured German helmets. Profits from this and other surplus sales enabled him by 1953 to hang out the Interarms shingle and register with the U.S. government as a licensed arms dealer, which he remains to this day.